

# Progress Notes . . . . . February 2012

A Monthly Publication of the Nassau-Suffolk Hospital Council, Inc.

**Progress Notes** publication is a summary of regulatory and legislative news, advocacy messages, and other relevant issues affecting the delivery of hospital and health care on Long Island.

## Hospitals Face Unusual Advocacy and Budget Season

Policy recommendations in the governor's proposed 2012- 2013 state budget, as well as executive orders and procedural changes occurring outside the budget process, present hospital advocates with different challenges this budget season. With no new provider cuts included in this budget, the debate moves more immediately and earnestly to issues surrounding the continuing implementation of Medicaid Redesign Team (MRT) reforms, clarification of the governor's executive compensation and governance order, the re-districting process, and diminishing powers of the legislative branch.

*However, providers will still endure Medicaid cuts in the coming year, as a result of the two-year budget deal enacted last year, and state Medicaid spending is still under a global cap imposed by the MRT. Last year, hospitals on Long Island absorbed \$8.8 million in a two-percent across the board Medicaid cut.*



**From left:** Neboysa Brashich, Trustee for Eastern Long Island Hospital, HANYS, and the American Hospital Association and Paul Conner, President/CEO, Eastern Long Island Hospital.

New York State Health Benefit Exchange language is also included in the proposed budget. The language reflects the Health Insurance Exchange agreement negotiated by the Assembly and Senate last spring, which passed the Assembly but was not acted upon by the Senate. – Janine Logan, [jlogan@nshc.org](mailto:jlogan@nshc.org).



**From left:** Susan Knoepffer, RN, Chief Nursing Officer, Huntington Hospital; Michael Fagan, VP Finance and CFO, Huntington Hospital; and Dennis Whalen, Executive Vice President, HANYS.

State health policy and budget experts from the Healthcare Association of New York State (HANYS) discussed these and other relevant issues at a budget briefing held for Long Island hospital CEOs and senior executive staff on Thursday, February 9, 2012 at the Hospital Council offices in Hauppauge, New York.

Governor Cuomo's proposed 2012 -2013 budget offers a decrease in total spending over last year with \$132.5 billion the target for the upcoming state fiscal year. It keeps the commitment from last year's budget for a four percent increase each to Medicaid and education. However, this does not equate to a four percent reimbursement bump to providers, as the increase is on total state Medicaid spending. The increase is absorbed by burgeoning enrollment in the Medicaid program and increased utilization of services.

## \* \* \* *Advocacy Days in Albany* \* \* \*

March 6-7, 2012

### YOUR MOST POWERFUL ADVOCACY TOOL

Senior hospital leaders and hospital trustees have opportunity to meet personally with their district legislators. NSHC will handle scheduling and logistics. **Join your colleagues on Tuesday, March 6 for a pre-event dinner and strategy session.** For information/registration contact: Denise Gandolfo, [dgandolf@nshc.org](mailto:dgandolf@nshc.org).

## ***Congress' Temporary Doc Fix Moves Debate to Year's End; Hospitals Remain Vulnerable to Funding Cuts***

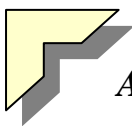
Congress' recent passage of a final agreement to avoid a 27 percent Medicare physician fee schedule cut set for March 1 places this issue on the back burner at least until the end of this year. However, the sustainable growth rate (SGR) formula, enacted in 1997 and now considered flawed by most economists and policy makers, will surface again and hospitals remain vulnerable to cuts to offset funding.

The temporary fix did not inflict the huge cuts in hospital outpatient department evaluation and management clinic services or a new inpatient coding offset that hospitals had feared. Rather, part of the funding for the "doc fix" will come from a reduction in Medicare bad debt payments and a one-year continuation, into 2021, of the Affordable Care Act's Disproportionate Share Hospital (DSH) payment reductions.

The agreement also extended the Social Security payroll tax holiday and unemployment insurance benefits for the long-term unemployed.

The Hospital Council continues to urge the region's congressional delegation members to work with their colleagues to a permanent solution to the physician fee schedule issue. The Hospital Council supports fair and reasonable reimbursement to physicians, but not at the expense of hospitals.

Meanwhile, President Obama unveiled his federal fiscal year 2013 budget on February 13, 2012. The plan calls for overall nationwide health care cuts of \$364 billion over 10 years. Most harmful to hospitals are proposed cuts to Medicare bad debt, graduate medical education payments, and Medicaid disproportionate share funding. – Janine Logan, [jlogan@nshc.org](mailto:jlogan@nshc.org).



## **The Quality Corner**

***An update on quality reporting measures***

**Mary Jane Milano, Director of Quality and Education**

**The Joint Commission:** Effective January 1, 2012, hospitals that are accredited by The Joint Commission (TJC) must adhere to a new standard focused on performance on TJC accountability measures. TJC is expecting hospitals to meet an 85 percent threshold of performance on these accountability measures. In 2010, TJC designated 22 measures as accountability measures. In 2011 it designated an additional 22 measures. If a hospital's accountability measures composite rate is less than 85 percent, TJC will issue a Requirement for Improvement (RFI). The hospital must submit within 45 days a Plan of Correction and will have 18 months to clear the RFI. (An RFI alone will not immediately impact a hospital's accreditation decision.) For a listing of the accountability measures please contact Mary Jane Milano at [mmilano@seagatealliance.com](mailto:mmilano@seagatealliance.com).

**Reform News:** The Payment Reform and Quality Measurement Workgroup of the New York Medicaid Redesign Team (MRT) released its final recommendations in December. Chaired by Dan Sisto, president of the Healthcare Association of New York State (HANYNS), and William Streck, MD, chair of the New York State Public Health and Health Planning Council, the 21-member workgroup agreed on four goals: 1) seeking a federal waiver to integrate Medicaid and Medicare service delivery for 700,000 "dually eligible" individuals with chronic conditions; 2) adopting an incentive-based performance reporting across all sectors of the health care delivery system; 3) reforming the state's Indigent Care Program and 4) establishing an Essential Community Provider Network and a Vital Access Providers' Program. The workgroup's recommendations lay the groundwork for other steps in Phase 2 of the MRT activities focused on multi-year program enhancements.

**Core Quality Measures:** On January 4, 2012, CMS published a Final Notice in the Federal Register outlining an initial core set of 26 quality measures for states to use in evaluating the performance of Medicaid programs. The measures will be applicable to both managed care and fee-for-service providers. The majority of the measures are derived from the National Committee for Quality Assurance, which accredits managed care plans.

**State Budget Items:** Governor Cuomo's proposed budget includes a number of items related to health care quality. They include the continuation of the Medicaid preventable readmissions and preventable provider negative outcome policies;

### **Member Hospitals**

Brookhaven Memorial Hospital Medical Center  
Catholic Health Services of Long Island

- Good Samaritan Hospital Medical Center
- Mercy Medical Center
- St. Catherine of Siena Medical Center
- St. Charles Hospital
- St. Francis Hospital
- St. Joseph Hospital

East End Health Alliance

- Eastern Long Island Hospital
- Peconic Bay Medical Center
- Southampton Hospital

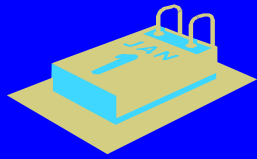
Long Beach Medical Center  
John T. Mather Memorial Hospital  
Nassau University Medical Center  
North Shore-Long Island Jewish Health System

- Franklin Hospital
- Glen Cove Hospital
- Huntington Hospital
- North Shore University Hospital
- Plainview Hospital
- Southside Hospital
- Syosset Hospital

Stony Brook University Hospital  
Veterans Affairs Medical Center – Northport  
Winthrop-South Nassau University Health System

- South Nassau Communities Hospital
- Winthrop-University Hospital

authorize New York State Department of Health to institute outpatient potentially preventable conditions policy; eliminate coverage for elective C-sections and inductions performed sooner than 39 weeks, unless medically necessary; and limit coverage for angioplasty to patients who are considered appropriate based on certain clinical criteria.



## Mark Your Calendar for NSHC Events in March

- Mar. 1 Board of Directors Meeting, 8 a.m.
- Mar. 7 Advocacy Day (Albany)
- Mar. 8 DNV Accreditation Webinar, 2 – 3:30 p.m.  
Contact: Mary Jane Milano, [mmilano@seagatealliance.com](mailto:mmilano@seagatealliance.com)
- Mar. 9 Communications Committee, conference call, 9 a.m.
- Mar. 13 Nurse Managers meeting, 12:30 p.m.
- Mar. 28 Finance Committee meeting, 8 a.m.

\*Meetings for NSHC members only and are held at the Hospital Council office in Hauppauge unless otherwise noted. To register/info call: 631-963-4153.

## Campaign Keeps Tabs on Health Reform Implementation

The Hospital Council's public information campaign *ABCs of Health Care Reform and You* is entering its second month. Sponsored by the Hospital Council's Communications Committee, the campaign made a grand entrance throughout the metropolitan region when it debuted late January. With news pickups by the Associated Press, a variety of health trade journals, and the *Long Island Business News*, the campaign is also making its presence known on social media. Find updates about the law via NSHC's twitter page @hospitalcouncil and on Facebook.com/Nassau-Suffolk Hospital Council. Please re-tweet the updates to keep the public and media informed of latest developments related to Access, Benefits, and Cost of the Affordable Care Act. The campaign will closely watch developments surrounding the Supreme Court and the ACA in the coming weeks. The campaign is also a useful advocacy tool. Legislators are using the campaign's design and information for constituent messaging and education.



The web-based campaign seeks to distill the complexity of health care reform in a simple way and position Long Island's hospitals as the "go to" experts for practical information about the law and its affect on patients and their families.

Go to [www.nshc.org](http://www.nshc.org) and click on the *ABCs of Health Care Reform and You* icon to access information. Links to animated videos, research reports, and other helpful materials can be accessed from the site.

Member hospitals are encouraged to post and link the *ABCs* icon on their websites so that visitors can click through to access the information on the Hospital Council's website.

## News Briefs . . .

**Quality News and Quality Web Page** are value-added member services and offer a dedicated e-based newsletter and separate section on the Hospital Council website that brings members in-depth analysis and reporting of what is new in the quality and performance improvement sector. Check out the newsletter and web page at [www.nshc.org/quality](http://www.nshc.org/quality).

**Outstanding Patient Experience Award Winner . . .** designation goes to Eastern Long Island Hospital. For the second year in a row, ELIH received the Outstanding Patient Experience Award from HealthGrades. This independent, non-government affiliated organization ranked ELIH first in Suffolk County for patient satisfaction. For a fee, hospitals can voluntarily subscribe to HealthGrades.

**Fair Health . . .** recently launched a free web-based tool to help consumers learn the cost of medical procedures that are commonly performed together. The tool, FH Estimate Assist, is a [www.fairhealthconsumer.org](http://www.fairhealthconsumer.org)

**Diabetes Collaborative . . .** geared toward helping physician practices achieve Patient-Centered Medical Home (PCMH) recognition, sponsored by the New York Health Foundation, is available from HANYS. A webconference will take place on Tuesday, March 13, from 11 a.m. to noon to discuss HANYS **free** consulting service and how organizations can participate. HANYS has been a clinical partner in the New York State Health Foundation's five-year Diabetes Campaign since its inception. HANYS has worked with member hospital-based clinics and primary care sites, helping them achieve National Committee for Quality Assurance Diabetes Recognition Program status. For more information contact Amy Jones at [ajones@hanys.org](mailto:ajones@hanys.org).

**HANYS 2012 Community Health Improvement Award Nominations . . .** deadline is March 12, 2012. All HANYS' members are eligible to apply for the 2012 Community Health Improvement Award, which recognizes outstanding initiatives by members to improve the health and well being of their communities. Electronic submissions are required. Go to [www.hanys.org](http://www.hanys.org) for more information and an application.

## Committee News ...

**Corporate Compliance:** The January 31 meeting of the Corporate Compliance Committee included extensive discussion of Medicaid Redesign Team and Executive Budget proposals that would grant increased authority to the state over hospital boards and executive compensation. Ms. Darwell and NSHC general counsel Mark Thomas also briefed the committee on Medicare RAC activity and other audits.

**Human Resources:** The Human Resources Committee met via conference call on February 17. Ms. Darwell briefed the committee on legislative developments, including the executive compensation and board oversight proposals in the governor's budget and proposed legislation to redefine permissible deductions from employee payroll. Information was also provided on recent NLRB decisions, and an HHS OIG audit of the Medicare excluded providers list. The committee discussed policies on exclusively hiring BSNs, and Winthrop's VP of Human Resources, George Rainer, discussed plans to organize a veterans' job fair in Nassau County.

**Finance Committee:** At its January 11 meeting, the Finance Committee was briefed on the recommendations of the Medicaid Redesign Team and expectations for the governor's 2012-13 budget proposal. The committee also discussed at length the Medicare Recovery Audit Contract program, and Ms. Darwell updated the group on the status of federal action to stave off a reduction in physician reimbursement rates. NSHC's wage index auditor, Tracey Roland of The Reimbursement Alliance, reported on the findings of the annual audit process.

**Nurse Executives Committee:** The committee was introduced on January 18 to Ms. Milano, who reported on the Council's newly-formed Quality Committee, the NYS Partnership for Patients Initiative, and the differences between the Joint Commission and DNV hospital survey processes. She also distributed the Council's Compendium of Quality Measures, a crosswalk of the state, federal and accrediting agency reporting requirements. Ms. Darwell presented on the impact on Medicare reimbursement of the HCAHPS patient satisfaction survey.

**Quality Committee:** At its February 15 meeting, the committee received guest presentations from Margaret Gallagher of the New York Organ Donor Network regarding new Joint Commission regulations, and from Nancy Landor of HANYS regarding the Partnership for Patients initiative. Ms. Milano presented an update on federal and state quality reporting metrics and reported on the differences between Joint Commission and DNV accreditation.

**Revenue Cycle Committee:** February 17, the committee discussed the volume and nature of RAC medical necessity audits in the region, and was briefed by Ms. Darwell on the RAC demonstration programs and NGS audits that are rolling out in the first half of 2012. The group discussed the experience with public and commercial payers making the transition to HIPAA 5010 standards in January.

